

1 acceptable to Cox.

2 MS. KELLEY: My understanding is that the
3 same witness is IV-97, which is a WorldCom issue,
4 so we will do that at the same time as well.

5 MR. DYGERT: So, that will be issues I-8,
6 I-11, and IV-97?

7 MS. KELLEY: Correct.

8 MR. KEFFER: With that, may AT&T be
9 excused for the rest of the afternoon?

10 MR. DYGERT: Yes. Thank you for your
11 time.

12 MR. HARRINGTON: And Cox will be following
13 in AT&T's wake, with your permission?

14 MR. DYGERT: Yes, and thanks to Cox also.

15 At this point, what I would like to do is
16 run through, as I said, the issue numbers we are
17 going to cover this afternoon. And absent some
18 contrary proposal from the parties, I would just
19 like to cover them in the order that I'm reading
20 them out right now. That is issue IV-84, issue
21 IV-91, issue IV-1-10, IV-1 subpart P--I'm sorry,
22 VI-1 subpart P, VI-1(Q), and I gather III-13(H)

1 since III-13 has been settled by the parties.

2 Appears to me that on issues IV-10,
3 VI-1(P) and VI-1(Q), the parties have waived their
4 cross-examination.

5 MS. KELLEY: That's correct, and we have
6 waived for IV-84 as well, and I believe--

7 MR. OATES: We have as well.

8 MS. KELLEY: Just one--what may or may not
9 be a clarification on III-13. With respect to
10 WorldCom, there is an open issue about contract
11 language for subpart H, I believe. There also
12 remains a dispute about whether or not this
13 goes--whatever agreement is reached should be in
14 the Interconnection Agreement or not. I think it's
15 sort of a III-13 issue.

16 MR. KEHOE: That's my understanding of it
17 also.

18 MR. DYGERT: So that part has not settled.

19 All right, then. Why don't we start with
20 issue IV-84, which will be staff questions only.

21 QUESTIONS FROM STAFF

22 MR. FIRSCHEIN: WorldCom has summarized

1 the issues in issue IV-84 in its statement of the
2 issues, but by breaking it down into three distinct
3 parts. First, whether the Interconnection
4 Agreement should contain a provision obligating
5 Verizon to provide services in any technical
6 feasible combination; the second, whether there
7 should be a provision prohibiting either party from
8 discontinuing or refusing to provide any service
9 required under the Interconnection Agreement
10 without the other party's written agreement; and
11 third, a provision prohibiting Verizon from
12 altering its network without notice.

13 In its testimony, Verizon states that the
14 second and the third of these three provisions have
15 been moved and will be considered with respect to
16 other issues, and I want to confirm that that is
17 actually the case. I believe, Verizon, that you
18 stated that the second of those provisions has been
19 agreed to be addressed in connection with issue
20 IV-113, and a third of those subdivisions was
21 agreed to be addressed with regard to VI-1(T),
22 which I believe has been resolved.

1 MS. KELLEY: With respect to VI-1(T),
2 that's definitely correct. I'm checking the IV-113
3 for you now.

4 I believe that subject is covered in a
5 separate issue.

6 MR. FIRSCHEIN: So, just to confirm once
7 again the only part of issue IV-84 which is left
8 for our consideration is the first section, whether
9 the Interconnection Agreement should contain a
10 provision obligating Verizon to provide services in
11 any technical feasible combination requested by
12 WorldCom; is that correct?

13 MS. KELLEY: That's correct.

14 MR. ARGENBRIGHT: I would agree, yes.

15 MR. FIRSCHEIN: When you submit the
16 revised JDPL, just make sure that's reflected.

17 That's all I have on the issue.

18 We will turn to IV-91.

19 MR. OATES: That's the witness we have to
20 patch in by telephone. Could I excuse
21 Mr. Pitterle, if the staff is done with IV-84?

22 MR. DYGERT: Yes.

1 (Pause.)

2 MR. OATES: We have no cross-examination
3 on IV-91.

4 MS. MERIWEATHER: This is Robin
5 Meriweather speaking for WorldCom. I will try to
6 remember that one person is not physically here,
7 and announce that I'm speaking when I'm speaking.

8 With respect to issue IV-91 which
9 addresses branding, in the Verizon rebuttal
10 testimony, which was filed September 5th, there is
11 a statement in that testimony that says that
12 Verizon is willing to allow WorldCom to purchase
13 branding of directory assistance and operator
14 services from Verizon for customers served by the
15 UNE platform.

16 Is that correct?

17 MR. WOODBURY: Yes, it is.

18 MS. MERIWEATHER: A document which you may
19 or may not have before you, which is the party's
20 JDPL, or Joint Decision Point List, for general
21 terms and conditions does not reflect that, and
22 suggest that Verizon still opposes WorldCom's

1 proposal that it be allowed to purchase branding
2 for directory assistance and operator services from
3 Verizon for UNE platform customers.

4 Is that just an error in the JDPL? I just
5 want to get this clarified on the record, please.

6 MR. OATES: That may be better addressed
7 to us. We will conform the JDPL to the offer made
8 in the rebuttal testimony. To the extent it
9 doesn't conform, it's the testimony that's correct.

10 MS. MERIWEATHER: The testimony came
11 before the chart. I wanted to make sure of what
12 was in the testimony.

13 To Mr. Woodbury, is the offer in the
14 rebuttal testimony, does that indicate that Verizon
15 is willing to offer branding to WorldCom for these
16 services on the same terms that it's currently
17 providing--offering branding in New York and
18 Massachusetts?

19 MR. WOODBURY: I will repeat the question
20 as I think was asked. You're asking if my
21 testimony supports that we would continue to offer
22 or that we would offer in Virginia UNE-P OS and DA

1 or OS/DA in association with UNE platform in the
2 same manner in which we offer it in New York and
3 Massachusetts? Is that the question?

4 MS. MERIWEATHER: Right. I'm just trying
5 to clarify a little more what's in the September
6 5th rebuttal testimony.

7 MR. WOODBURY: Yes, we will offer OS/DA in
8 conjunction with UNE platform as we do in New York
9 and Massachusetts.

10 MS. MERIWEATHER: Thank you.

11 And given that Verizon is now willing to
12 allow WorldCom to purchase branding in this
13 context, I take it Verizon would not object to
14 including language in the Interconnection Agreement
15 that makes that clear; is that correct?

16 MR. WOODBURY: Well, I'm not
17 addressing--I'm more the operator services OS/DA
18 SME as opposed to the--

19 MR. ANTONIOU: We will do it, yes.

20 MS. MERIWEATHER: That will be done before
21 we submit our next set of language to the
22 Commission?

1 MR. ANTONIOU: Yes, it's consistent with
2 the Commission's comments recently. I think all
3 the parties are intending to submit as soon as
4 possible what they understood to be the final
5 language on the table including for this issue.

6 MS. FAGLIONI: That's for issues in
7 dispute that will go in that. If you resolved an
8 issue, I assume that's not going in a new JDPL, but
9 you all will agree to contract language that
10 ultimately gets submitted for approval.

11 MR. ANTONIOU: So, the intent is, if this
12 is going to end up in the issue being resolved to
13 give you language as soon as possible so you can
14 agree that it is resolved or you wish to make
15 changes, then we could get that done, and if it's
16 not on the table anymore, if it's a resolved issue,
17 then it wouldn't be part of the language that we
18 would give to the Commission staff for their
19 consideration.

20 MS. MERIWEATHER: I have a couple more
21 questions also geared more towards clarifying.

22 In the WorldCom testimony we stated

1 that--Ms. Lichtenberg stated that WorldCom desires
2 the ability to purchase the branding at whichever
3 rates are applicable, regardless of the context in
4 which the WorldCom customers are being served,
5 whether they're being served from UNE-P or
6 something else, or whether it's in the resale
7 context or outside. I just want to get clear what
8 the Verizon witness has indicated in the September
9 5th rebuttal testimony is essentially an agreement
10 to go along with the WorldCom proposal.

11 MR. WOODBURY: I'm sorry, I didn't
12 understand that there was a question.

13 MS. MERIWEATHER: My question is:
14 Initially, as the dispute was argued in the
15 testimony, at least in the last time we had a
16 chance to exchange testimony, WorldCom's position
17 was that our ability to obtain branding should not
18 depend on the context in which the customers are
19 served or that--and Verizon's position was that it
20 only has to offer branding in the resale context.

21 We expressly addressed the UNE platform,
22 the UNE-P context, in the questions that I asked

1 you. I'm just trying to clarify whether your
2 position that was in that paragraph that was in
3 your rebuttal testimony is an agreement that
4 branding will not depend on whether it's resale or
5 not, and won't depend on the context at all, or
6 whether you are simply stating that you will add
7 UNE-P to the resale in your list of limited
8 circumstances in which this would--I'm sorry the
9 question is long, I'm just trying to clarify where
10 exactly we are on this.

11 MR. WOODBURY: Okay. Well, my testimony
12 is that we would--we will--we will offer operator
13 services and directory assistance in association
14 with the UNE platform service, and we will brand
15 the OS/DA as requested by MCI with their branding
16 as they dictate or request or with no branding, or
17 with Verizon branding should they want that, and
18 obviously you don't want that. So, we will brand
19 with the MCI brand OS/DA provided in association
20 with the UNE platform.

21 MS. MERIWEATHER: And I have one other
22 question. In your testimony, in your rebuttal

1 testimony, the September 5th rebuttal, you
2 indicated that if Verizon provides this branding
3 that we just discussed, WorldCom would be
4 responsible for the transport of its customers'
5 calls to Verizon Virginia if WorldCom serves those
6 customers using the UNE-P. If you could explain to
7 me what was meant by that.

8 MR. WOODBURY: I believe that addressed
9 the question of the various elements of the UNE
10 platform that was being purchased by MCI WorldCom.
11 And to the extent that they were purchasing OS and
12 DA, we will provide that service. It depends on
13 the other elements of the platform that they would
14 be purchasing, but they would be responsible to
15 purchase the transport.

16 MS. MERIWEATHER: I have no further
17 questions.

18 MR. FIRSCHEIN: Just to clarify, does it
19 appear to the parties as though this is an issue
20 which will be resolved?

21 MR. WOODBURY: I'm sorry, if that was
22 addressed to me, I couldn't hear the question.

1 MR. ANTONIOU: The question was whether it
2 appears to the parties that this issue will, in
3 fact, be resolved.

4 MS. LICHTENBERG: From WorldCom's point of
5 view, once we see the language, it certainly
6 appears that it will be resolved.

7 MR. FIRSCHEIN: Okay, then we have no
8 questions.

9 MR. OATES: Mr. Woodbury, thank you very
10 much.

11 MR. WOODBURY: You're welcome.

12 (Phone disconnected.)

13 MR. DYGERT: That moves us on to issue
14 IV-110, I believe, on which--

15 MR. DALY: May I make a suggestion for
16 benefit of time, if we could move Mr. Pitterle's
17 issue up, VI-1(P)?

18 MR. DYGERT: Sure. VI-1(P),
19 discontinuance of service.

20 MS. KELLEY: We have to get our other
21 witness, which I'm going to do right now.

22 QUESTIONS FROM STAFF

1 MR. KOERNER: WorldCom made the contention
2 that Verizon's proposed provisions would give it
3 unfair competitive advantage over other providers.
4 I was interested in hearing your response to that.

5 MR. PITTERLE: I'm looking for the
6 language, but I believe Verizon has two parts to
7 its request in this issue. One is that WorldCom
8 gave Verizon 30 days notice if it's going to
9 discontinue a service, so that--and the second part
10 to that is, if customers who are receiving--this is
11 a WorldCom notice to their end users that they are
12 discontinuing service to their end users, and
13 Verizon would want to have that notice of that 30
14 days in advance as well.

15 But in that situation, I believe Verizon's
16 language is that they will, upon receiving a
17 request from an end-user customer of WorldCom, that
18 now has received this notice, if they want to
19 obtain Verizon's services, Verizon would want the
20 specific name, address services to go with that.
21 That's an important second step rather than asking
22 for a list of all the customers up front with 30

1 days' notice.

2 It's an issue of simply upon a customer
3 requesting Verizon service getting the additional
4 information, which is a key aspect, from my
5 perspective. So, we do not feel that it's
6 anticompetitive for that reason.

7 MR. KOERNER: I guess my question goes
8 more specifically to the request that WorldCom
9 notify you when they're going to discontinue
10 service to a customer.

11 MR. ANTONIOU: To follow up on
12 Mr. Pitterle's comment, as a general matter, when
13 this sort of occurrence takes place where carrier
14 leaves the marketplace or a portion of the
15 marketplace, Verizon is not in the position where
16 it typically would want to take on those customers
17 as in some states has been the case. Our desire,
18 frankly, with the notice is a couple-fold. One is
19 the extent to which we don't want to be left in the
20 position of having to take the customers. We have
21 some amount of time to be able to go to the
22 Commission and make our case that we shouldn't have

1 to take all those customers on and what the
2 circumstances will be for doing so, and minimize
3 the extent to which we end up, as is often the
4 case, having to take the customer on, that there
5 isn't a disruption of service.

6 So, if it's a matter of giving notice to
7 us at the same time that notice is provided to the
8 Commission publicly--we are not trying to get a
9 competitive advantage. We generally don't want
10 those customers. We are not looking to be in the
11 position where we have 10, 20,000 customers we have
12 to process through our system as we are providing
13 wholesale service to other customers.

14 So, that's the last thing on my mind is
15 any sort of advantage, so perhaps a means by which
16 to deal with the problem from WorldCom's
17 perspective, provide the notice to us, the party
18 that's likely to end up having to take those
19 customers, at the same time the notice is provided
20 to the Commission.

21 MR. KOERNER: You state that other states
22 dealt with this issue comprehensively. I wonder if

1 you could explain which states they were, and how
2 they addressed this issue. I think it's in your
3 direct testimony at pages 39 to 40.

4 MR. OATES: To the extent the witnesses
5 are unable to do that, we will certainly address
6 that issue in the brief.

7 MR. KOERNER: That's fine.

8 MR. ANTONIOU: None of us appear to have a
9 specific instance in mind, but we have anecdotally
10 been told by others that we talked to about this,
11 that in some states there is some sort of notice
12 requirement, but as Mr. Oates said we will have to
13 put it in our papers.

14 MR. KOERNER: Fine.

15 WorldCom has indicated that Virginia State
16 Corporation Commission is in the process of putting
17 a procedure in place that would address this issue.
18 I was wondering, in your view, whether your
19 proposed language is necessary in light of the
20 Virginia Commission's proceeding, and why.

21 MR. ANTONIOU: I'm not familiar with that
22 proceeding. I would certainly like to hear more

1 about it. If it appears close to closure, such
2 that they're going to have rules for this, then
3 perhaps we wouldn't need it, but without those
4 facts it's hard for me to say.

5 MR. KOERNER: Is it possible for the
6 parties to look into that and address that in the
7 briefs as well?

8 MR. ANTONIOU: Yes.

9 MR. KOERNER: That's fine. I have no
10 other questions.

11 MR. DYGERT: All right. That concludes
12 our time you with, Mr. Pitterle. Thank you.

13 Then back to issue IV-110, migration of
14 service.

15 MR. KOERNER: I have one question for
16 Verizon on that issue.

17 WorldCom's proposed language that would
18 contemplate written authorization only if that
19 authorization was expressly required by law.

20 I was curious whether Verizon is amenable
21 to that language, and if not, why.

22 MR. ANTONIOU: Our view here is that the

1 parties with respect to changes in service from one
2 carrier to the other in either direction should
3 ensure that whatever requirements there are under
4 law are followed.

5 As a general matter, we understand right
6 now that this sort of notice is not required. What
7 we were concerned about with the language that was
8 proposed by WorldCom is that if at some point this
9 is either mandated or this is one of a couple of
10 ways that the, I guess, not the requesting carrier
11 but the other carrier, may, in fact, fulfill its
12 obligations that we not somehow contractually give
13 them away.

14 That said, we have, within the last, I
15 guess, during this past week, during offline
16 conversations with WorldCom, been working on
17 language to give them comfort that under current
18 law we may not request--Verizon may not request,
19 and WorldCom would not be able to request as a
20 prerequisite for processing the change a copy of
21 this sort of authorize authorization.

22 So, I'm hopeful that based on the work we

1 have done together, WorldCom may want to speak
2 further to this. Mr. Harthun and I have been
3 working on this.

4 MR. KOERNER: Is it WorldCom's sense that
5 this issue will be resolved?

6 MS. LICHTENBERG: Yes, WorldCom is working
7 on resolving this issue to follow the current
8 directives of law.

9 MR. KOERNER: Great. Then I have no more
10 questions. Thank you.

11 MR. DYGERT: Issue VI-1(Q), insurance.

12 MR. FIRSCHEIN: I know WorldCom made a
13 counterproposal with regard to this provision. The
14 only objection that Verizon raised in its testimony
15 was that it is concerned that less financially
16 stable CLECs can opt into that provision.

17 Other than that concern, are there any
18 other objections specifically to the language that
19 WorldCom has proposed?

20 MR. ANTONIOU: I need to see the specific
21 language. I will be as quick as I can.

22 And this is the insurance issue?

1 MR. FIRSCHEIN: Yes.

2 (Pause.)

3 MR. ANTONIOU: I believe the WorldCom
4 language is at page 44. I'm trying to figure out
5 exactly which document this is.

6 MR. OATES: It appears on page 112 of the
7 JDPL for general terms and conditions.

8 MR. ANTONIOU: How does it begin?

9 MR. OATES: The heading is "Insurance."

10 MR. ANTONIOU: What comes after that?

11 MR. OATES: Begins, "Each party shall
12 maintain"--

13 MR. ANTONIOU: I got it.

14 We do have problems with that. A couple
15 of points. I know there is a docket, and certainly
16 I could find it for our briefs because I have dealt
17 with this issue with other carriers and it has been
18 the subject of arbitration that typically has once
19 we showed folks this document, this docket ended up
20 not being arbitrated. The particular docket dealt
21 with insurance. And as a general matter, I would
22 describe the docket at the end of the day stating

1 that the carriers did have to provide--the
2 competitive carriers did have to provide insurance.

3 There was a section of that document that
4 said that accommodations potentially could be made
5 by the incumbents where a sufficient net worth was
6 available on the part of the CLECs, so there was a
7 recognition that as a general matter particularly
8 with co-location being prevalent that there were
9 going to be folks coming into the incumbent's
10 central offices and unfortunately certain sort of
11 accidents can happen at any time, and those folks
12 should have some sort of coverage. That would be
13 the general rule. But if they have a certain net
14 worth that may be not a requirement.

15 So, what Verizon has done with a number of
16 carriers is written into the contracts that if
17 there is a certain net worth, and I think the
18 number put out there and I believe this is
19 consistent with that order from the FCC is \$100
20 million. If they have a hundred million dollar net
21 worth, then they could self-insure.

22 Do I have any problems with this language?

1 I do because it says each party, and Verizon
2 wouldn't do that. It puts itself in the same
3 position as generally WorldCom or AT&T where they
4 would have the same sort of net worth, so neither
5 one of us needs to go out and spend extra money for
6 insurance. We are going to provide self-insurance.

7 My understanding is that WorldCom is
8 reviewing that proposal so this requirement
9 wouldn't be in effect so long as the net worth was
10 more than \$100 million, and this is not something
11 they finished looking at.

12 MR. HARTHUN: Two things. This is the
13 first WorldCom has heard that we should look at the
14 insurance provisions in terms of co-location. The
15 language itself suggests insurance across the
16 broader set of situations. There were maybe a few
17 aspects of it that were specific to Verizon
18 facilities, suggesting it would have to do with
19 co-location, but otherwise these insurance
20 requirements are much broader than that, which is
21 why we would prefer to have it on a reciprocal
22 basis. The accidents that would be insured for

1 under these provisions can happen in either
2 direction, unfortunately.

3 On the second matter, Verizon is correct,
4 we are working on exploring what I will call a
5 carve-out around the net worth, but we are trying
6 to do this region-wide, which means WorldCom would
7 have to consider a number of different local
8 service provider affiliates, and that's why it's
9 taking some time, but that is still in the process.

10 MR. DYGERT: Do you expect to complete
11 your review of that in the near future?

12 MR. HARTHUN: Yes, I do. I don't know I
13 could give you a deadline, but yes, I'm pushing to
14 resolve that as quickly as I can.

15 MR. FIRSCHEIN: One of the issues that has
16 arisen with regard to this provision is the level
17 of insurance. What I would like to know is whether
18 Verizon has done an assessment of the risk to its
19 facilities from the CLECs.

20 MR. ANTONIOU: I don't know for sure that
21 it has, but I do know from my previous work on this
22 issue in other arbitrations that the amounts of